

**SHOREVIEW CITY COUNCIL WORKSHOP MEETING
MINUTES
September 24, 2012**

Attendees:

City Council: Mayor Martin; Councilmembers Huffman, Quigley, Wickstrom and Withhart

Staff: Terry Schwerm, City Manager
Jeanne Haapala, Finance Director
Tom Simonson, Assistant City Manager/ Community Development Director
Fred Espe, Assistant Finance Director
Tessia Melvin, Assistant to City Manager/Communications
Mark Maloney, Public Works Director

Mayor Martin opened the meeting at 7:00 p.m.

**JOINT MEETING WITH ECONOMIC DEVELOPMENT AUTHORITY AND
ECONOMIC DEVELOPMENT COMMISSION**

Presentation by Assistant City Manager/Community Development Director Tom Simonson

EDA Members Present: Blake Huffman, Ben Withhart, Terry Quigley, Emy Johnson and Gene Marsh

EDC Members Present: Gene Marsh, Jim Gardner, Jonathan Weinhausen, Dave Lukowitz, Dave Kroona and Sue Denkinger

Simonson reported that during recent discussion of goals and work plan update, the EDC suggested a joint meeting with the EDA and City Council to discuss key economic development and business goals and review the mission and roles of the EDA and EDC.

Simonson reported that staff completed a benchmark review with several cities to see how they treat Economic Development Authorities and Economic Development Commissions. Research suggested that cities are split on how they deal with both groups. Some cities dissolved the EDC when EDAs are created, and other cities maintain two separate groups.

The EDC was established by the City in 1988. Since its development, the Commission has helped the City develop tax increment financing program, strengthened relationships with local business community, assisted efforts to attract new business and jobs, and created the Business Retention and Expansion Plan (BRE).

The EDA was created in 2008 as a new policy and tool for implementing economic development, business retention, and housing goals of the City. The EDA has focused on the financing of TIF districts and Home Energy Loans.

Councilmember Huffman added that the EDC should remain as the face of the City to the business community. Councilmember Quigley concurred and added that both are critical to the City. Councilmember Withhart added that the EDC has been instrumental in business retention.

Commissioner Marsh, who currently serves on both the EDA and EDC, stated that the EDC is in agreement with the group being the face to the business community. He added that the EDC is concerned with what the Council expects of the EDC and how it differentiates itself from the EDA.

Commissioner Lukowitz commented that the role of the EDC has changed since the inception of the EDA. He commented that the EDA is participating in the decision making of business development, and the EDC receives updates on these projects. Commissioner Lukowitz reported that when the EDC was created, it worked on business plans. This work included reviewing plans and making suggestions on issues regarding development. He stated that business representatives used to visit the EDC meetings and talk with Commissioners. In his opinion, the EDC would like to do more than just listen to reports, but would rather be included more in the development process.

Commissioner Gardner commented that the sense he gets from the business community is that they are overwhelmed with the process of dealing with the City. He noted that in many of his conversations with business representatives, they need help in navigating through the bureaucracy. Commissioner Gardner stated that he feels the EDC mission should be to help with communicating to the businesses and helping them navigate through the process.

Mayor Martin added that Commissioner Gardner did an excellent job of being the face of the City, as they recently contacted the City to participate in their Manufacturing Day in October. They have invited City representatives and the EDC and EDA members to this event.

Commissioner Denkinger added that there is an opportunity to revise the mission of each group and to better define the purpose of the two groups. She added that she would like to see more joint efforts from the two groups on projects and divide work and duties. In her discussions with local businesses, she has found that it is never too late to visit with businesses and to re-visit them to talk to them and show the City's appreciation of their business.

Commissioner Weinhagen added that he believes the business retention plan is working and may need to be revised and new visits scheduled. He added that due to the current number of developments staff is busy, but these visits should be scheduled.

Schwerm added that staff resources also play a part in the EDC's level of activity. With the public financing requests, the EDA has a critical role in the process. In addition, many of the recent development projects have been on the fast track and developers are asking the City to be flexible with deadlines and projects. From a workload perspective, these developments needed to be a priority for Mr. Simonson. In the case of both TSI and PaR Systems, the EDC's role in establishing quality relationships with the City help lay the groundwork for these projects.

Commissioner Kroona added that as a business owner he is impressed with the way that the City, staff and Committees/Commissions have stepped up to the needs of businesses.

Councilmember Wickstrom added that the EDC's roles have changed with the inception of the EDA, but the business retention plan is critical to the City and the EDC has been critical in many development projects.

Commissioner Johnson asked the question what would the risk be of collapsing the two groups and reducing the number of meetings, but maintaining the separate duties to the specific groups. Councilmember Withhart responded that the financial aspect should still be maintained by elected officials.

Concurring statements by Councilmembers suggested that this conversation continue and both groups should consider reviewing their mission and goals. In addition, better communications between the two, could help members understand their roles and responsibilities better.

Mayor Martin invited members of the EDC and EDA to the following events:

- Manufacturing Day at Lion Precision on Friday, October 5
- Community Conversation on a Community for all Ages on Thursday, October 26, at 6 p.m.
- Shoreview Library meeting on Tuesday, October 23, at City Hall to discuss funding and potential projects to the Shoreview Library expansion
- Volunteer Appreciation Dinner on Thursday, October 18.

REVIEW OF 2013-2017 CAPITAL IMPROVEMENT PROGRAM AND COMMUNITY BENCHMARKS

Presentation by City Manager Schwerm and Finance Director Haapala

Schwerm reported that the Capital Improvement Program is included in the a two-year budget and that in the future the City will adopt a 6-year CIP to better match the budget cycle. The current CIP anticipates \$51.3 million in projects. He noted that every year 1.3 % of the levy increase is dedicated to the street renewal fund and fixed asset revolving fund.

Collector Streets

Schwerm began with Collector Streets, where the proposed CIP contains 8 projects that use MSA funding, and one street financed through tax increment. There was much discussion on the timing of projects.

Street Improvement Projects

Schwerm reviewed the planned street reconstruction schedule and the planned issuance of \$2.5 million in street rehabilitation bonds scheduled in 2013. The City Council had a brief discussion regarding the timing of some of these projects and the proposed bonding for street rehabilitation.

Park Improvements and Trail Rehabilitation

Schwerm indicated that the Bucher Park renovations will be made during 2013 and that the

timing of other park improvements has changed somewhat based on the need to fund some parking lot resurfacing in 2013. He noted that the Wilson Park improvements were originally scheduled for this year, but have been moved to 2015.

Mayor Martin raised the issue that this is the last year of the collection of Tall Tower fees. There was a brief discussion about contacting the tall tower companies to determine if the current arrangement could be continued.

Schwerm noted that the seal coat has proven to be a cost effective method to extend the life of the trail system. Mayor Martin added that she is concerned that the CIP only includes seal coating, but no new trail connection or extensions. For example, County Road E and Soo Street need trails, as does Victoria Street in southern Shoreview.

Municipal Buildings

Schwerm stated that most of the building projects include repair/replacement items for the Community Center/City Hall and fire stations. A small addition to fire station #4 would include sleeping quarters for the duty crew. In 2014, the Community Center has a planned expansion to include 3,000 to 4,000 square foot addition in the cost of \$1,400,000.

Utility Improvements

The most significant project planned is the water treatment plant in 2015. The need for this is the secondary contaminant of the concerns of iron and manganese. These levels are increasing in the ground levels and in the water entering homes. Other improvements are for the sanitary lining project scheduled for 2015.

Major Equipment

A fire engine replacement occurred in 2012 and another is scheduled for 2017. The department's self-contained breathing apparatus replacement is scheduled for 2014. The department has submitted a grant to fund this replacement which would reduce Shoreview's share of the cost from nearly \$200,000 to about \$25,000.

OTHER ISSUES

Schwerm and Mayor Martin recently met with the five city Administrators and Mayors about joining the 35W Coalition. While there did not appear to be any interest from the cities in joining the coalition, the group felt that more conversations did need to occur between north metro cities about regional transportation issues.

The meeting adjourned at 9:36 p.m.